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June 12, 2012

TRC Solutions Project No. 192355

Mr. Gary Moore
U.S. EPA Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

**Re: Weekly Progress Report
Falcon Refinery Superfund Site
Ingleside, San Patricio County, Texas
TXD 086 278 058**

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Weekly Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely,
TRC

Alonzo G. Arredondo
Senior Geologist

Attachment: Weekly Progress Report
cc: Lazarus Texas Refinery I, LLC

WEEKLY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. TASKS NECESSARY TO COMPLETE THE REMOVAL ACTION

<u>TASK</u>	<u>START</u>	<u>EST. COMP DATE</u>
Butane Tank This tank contains less than one gallon of sludge. The tank will be cleaned; the sludge will be disposed of appropriately and the tank will be inspected.	1/18/12	6/15/12
Tank 12 The damaged roof will be removed, oil/sludge will be removed and disposed. The tank will be cleaned and repaired for temporary use to treat water from frac tanks, Tank 30 and Tank 26.	4/30/12	6/1/12
The floor and roof in this tank will be repaired to meet API 653 code specifications.	8/30/12	9/30/12
Tank 7 The damaged roof will be removed; oil/sludge will be removed and disposed. The tank will be cleaned and inspected (API 653).	2/16/12	7/15/12
Tank 30 The damaged roof in this tank will be removed, oil/sludge will be removed and disposed and the tank will be repaired for temporary use to store treated water from Tank 12.	5/14/12	6/23/12
The floor in this tank will be repaired to meet API 653 code specifications.	8/30/12	9/30/12
Tank 26 Because of the poor integrity of this tank, all liquids in Tank 26 will be transferred to Tank 12 for treatment of water via water treatment system and land applied in accordance with land disposal wastewater treatment criteria and additional criteria established by the TCEQ.	7/15/12	9/30/12
Removal and disposal of tank sludge.	8/30/12	9/14/12
Cleaning and demolition of tank.	9/17/12	9/21/12
Removal and disposal of contaminated soils below tank.	9/24/12	10/12/12
Water Treatment System A water treatment system capable of treating contaminated water to meet the land disposal restrictions and the criteria set up by TCEQ will be constructed with the appropriate irrigation field as approved by TCEQ. According to TCEQ, irrigation is only allowed from April 1 – August 30 (the growing season).	4/16/12	8/30/12

2. PROJECT ACTIVITIES COMPLETED THIS REPORTING PERIOD (JUNE 4 – JUNE 8, 2012)

The following activities were completed this week:

- Scrap steel from Tank 30 roof was loaded for transport to the recycler.
- Scrap steel from Tank 30 roof was transported to the recycler in Corpus Christi, TX.
- Water in all frac tanks was transferred into Tank 12 for treatment.
- Sludge in two frac tanks was being consolidated into one frac tank.
- Valves, T's, unions, and a 3" poly line were installed on the irrigation system.

3. ACTIVITIES PLANNED FOR NEXT WEEK (JUNE 11 - 15, 2012)

- Remediation of asbestos will be conducted at the Falcon Refinery site this week.
- Continue loading scrap steel from the Tank 30 roof and transporting it to the recycler.
- Continue consolidating sludge into one frac tank.
- Continue installing sprinklers on the irrigation field.
- Begin treatment of water in Tank 12 with activated carbon.
- Continue general housekeeping activities at the site clearing brush and maintaining firewalls.
- Continue evaluating discharge limits for treated wastewater and pursue agreement from U.S. EPA and TCEQ.

4. ACTIVITIES PLANNED FOR WEEK FOLLOWING (JUNE 18 - 22, 2012)

- Continue shearing the roof in Tank 30.
- Maintain a sealed dumpster at the site to collect the asbestos and debris north of Process Area #1.
- Transfer water from Tank 26 to Tank 12 for treatment.

5. ISSUES ENCOUNTERED

- Sampled insulation in several areas north of Process Area #1 of the Falcon Refinery and identified asbestos in one area. The area has been restricted, material has been contained, and the debris that contains asbestos will be sent to an approved facility by a licensed asbestos abatement contractor.
- Will postpone cleaning /shearing roof from Tank 30 due to the difficulty in removing sludge/residue from the roof material. Oil and water will be removed from Tank 30 and treated in frac tanks and Tank 12, respectively. Shearing of the roof in Tank 30 will resume after liquids have been removed from Tank 30.